

CARL LEVIN, MICHIGAN, CHAIRMAN

ROBERT C. BYRD, WEST VIRGINIA  
JOSEPH I. LIEBERMAN, CONNECTICUT  
JACK REED, RHODE ISLAND  
DANIEL K. AKAKA, HAWAII  
BILL NELSON, FLORIDA  
E. BENJAMIN NELSON, NEBRASKA  
EVAN BAYH, INDIANA  
JIM WEBB, VIRGINIA  
CLAIRE McCASKILL, MISSOURI  
MARK UDALL, COLORADO  
KAY R. HAGAN, NORTH CAROLINA  
MARK BEGICH, ALASKA  
ROLAND W. BURRIS, ILLINOIS  
PAUL G. KIRK, JR., MASSACHUSETTS

JOHN McCAIN, ARIZONA  
JAMES M. INHOFE, OKLAHOMA  
JEFF SESSIONS, ALABAMA  
SAXBY CHAMBLISS, GEORGIA  
LINDSEY GRAHAM, SOUTH CAROLINA  
JOHN THUNE, SOUTH DAKOTA  
ROGER F. WICKER, MISSISSIPPI  
GEORGE S. LEMIEUX, FLORIDA  
RICHARD BURR, NORTH CAROLINA  
DAVID VITTER, LOUISIANA  
SUSAN M. COLLINS, MAINE

RICHARD D. DeBOBES, STAFF DIRECTOR  
JOSEPH W. BOWAB, REPUBLICAN STAFF DIRECTOR

**United States Senate**  
COMMITTEE ON ARMED SERVICES  
WASHINGTON, DC 20510-6050

February 25, 2010

The Honorable Eric H. Holder, Jr.  
Attorney General of the United States  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington DC 20530-0001

Dear Mr. Attorney General:

I am writing to ask you to initiate an inquiry into whether individuals with the companies Xe Services LLC (formerly Blackwater) and Raytheon Company made false or misleading statements in their submission of a contract proposal to the U.S. Army.

On February 24, 2010, the Senate Armed Services Committee held a hearing on a Defense Department subcontract performed by Blackwater under the name "Paravant." The Committee heard testimony that Paravant was a shell company that Blackwater had set up in 2008 to avoid the 'baggage' that the name Blackwater carried and in order to gain a government contract.

Fred Roitz, Blackwater's Vice President for Contracts and Compliance, testified at the Committee's hearing that Blackwater had changed its name to Paravant at the request of Raytheon, the Defense Department's prime contractor. In his interview with Committee staff, then-Paravant Vice President Brian McCracken said that Paravant was created to be a "company that didn't have any Blackwater on it . . . so they could go after some [government] business that Raytheon was getting ready to hand out."

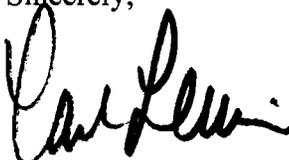
The deception is troubling. In 2008, Raytheon subcontracted with Paravant to perform a \$25 million Defense Department subcontract. At the time, Paravant had no employees and had not performed a single contract. But the Paravant proposal that won the company that subcontract told a very different story. The proposal represented that Paravant had "over 2,000 personnel deployed overseas," had "many years of experience," and had performed training to the government of nearly \$100 million. I am enclosing a copy of the relevant pages of their proposal.

The \$25 million subcontract was awarded to Blackwater just months after the State Department had said they lost "confidence in [Blackwater's] credibility and management ability." The Army contracting officer who approved the Paravant contract testified to the

Committee that he was unaware that the proposal was really a Blackwater proposal in the name of Paravant. If the Army contracting officer had known he was approving a subcontract with Blackwater, perhaps he would have taken the Department of State's finding about the company's lack of credibility and management ability into account when deciding whether to approve that subcontract. That makes the deceptive representation a serious matter.

Thank you for giving this matter your attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Levin". The signature is written in a cursive, flowing style with a large initial "C".

Carl Levin  
Chairman

cc: Honorable Robert M. Gates, Secretary of Defense

Enclosure